

NAVICPLA02 ORDER PROCESSING--MONETARY LIMITATION ORDERS (REPAIR) (AUG 1998)

1. The unit prices and total amounts shown on the preceding page are not Firm Fixed Prices but are Monetary Limitations. The ACO at <1> is hereby authorized to negotiate and definitize prices hereunder. The Contractor shall submit a price proposal to the ACO within 30 days after receipt of this order but in any event prior to 40% completion of required repairs. The ACO shall forward requests for increases to the monetary limitations to the NAVAL INVENTORY CONTROL POINT, ATTN: <2>
2. Upon mutual agreement, an order supplemental (standard Form 30) shall be issued by the ACO establishing the firm fixed unit prices and delivery schedule for the articles to be serviced. The prices agreed to by the ACO or the prices established pursuant to the "Disputes" Clause, as provided for below, shall be the contract prices.
3. The Contractor shall not begin servicing of any article(s) where the total cost of servicing is (labor and parts) is reasonably expected to exceed one hundred (100%) of the item replacement price based on production run quantities of a new article in a configuration similar to the configuration of the article to be serviced. Furthermore, whenever it becomes apparent, prior to the submission of the quotation for servicing, that an article being serviced will need servicing cost of which will exceed the foregoing figure, the Contractor shall promptly advise the Naval Inventory Control Point, Code <3> with a copy to the Procuring Contracting Officer (PCO), via the ACO, of the estimated cost of servicing such article.
4. The Contractor will subsequently be advised by the ACO if the article is to be serviced notwithstanding that the price for such servicing will exceed the figure above, or if the determination made is that such servicing is to be discontinued. If the servicing is to be discontinued, the order will be amended to compensate the Contractor for services performed and parts furnished.